

ROBERT KLABZUBA

IBLA 87-423

Decided September 12, 1988

Appeal from a decision of the Wyoming State Office, Bureau of Land Management, rejecting appellant's December 1986 first priority application for parcel WY-326 and lease offer W-103974.

Affirmed.

1. Oil and Gas Leases: Applications: Attorneys-in-Fact or Agents -- Oil and Gas Leases: Noncompetitive Leases -- Oil and Gas Leases: Offers to Lease

If an Automated Simultaneous Oil and Gas Lease Application, Part B, is signed by someone other than the applicant, the application must show the relationship of the signatory to the applicant. An application which fails to disclose the relationship between the applicant and the signatory must be rejected. The fact that it had been accepted for selection and subsequently selected for priority does not alter this requirement.

APPEARANCES: Stephen K. Frazier, Fort Worth, Texas, for appellant.

OPINION BY ADMINISTRATIVE JUDGE MULLEN

Robert Klabzuba (Klabzuba) has appealed an April 1, 1987, decision of the Wyoming State Office, Bureau of Land Management (BLM), rejecting his first priority application for parcel WY-326 in the December 1986 filing period and lease offer W-103974.

Klabzuba filed an Automated Simultaneous Oil and Gas Lease Application, Part B (application), for two parcels listed for the December 1986 filing period. The application, which identified the applicant as Robert E. Klabzuba, was signed by Stephen K. Frazier (Frazier), but contained nothing to disclose the relationship between Frazier and Klabzuba.

On March 10, 1987, BLM notified Klabzuba that he was the first priority applicant for parcel WY-326, and forwarded oil and gas lease offer forms and stipulations for lease W-103974 to Klabzuba for execution. The forms and stipulations were executed by Klabzuba on March 16, 1987, returned, and received by BLM on March 20, 1987. On April 1, 1987, BLM issued its decision rejecting Klabzuba's lease offer because the application signed by Frazier had failed to disclose Frazier's relationship to Klabzuba.

On April 7, 1987, Frazier filed a notice of appeal on behalf of Klabzuba. In the notice of appeal, Frazier stated:

There was no intent on our part to violate any Federal Regulation pertaining to the Simultaneous Filing in any manner. I, Stephen K. Frazier, am employed as a landman for Robert Klabzuba. In performing my duties as an employee I prepared the application and executed it on Mr. Klabzuba's behalf as agent. It was simply a clerical oversight that the word Agent was not inserted next to my name.

Due to the fact that I am an employee of Robert Klabzuba and that the omission of my relationship to him was inadvertent, we sincerely request that the lease offer be reinstated.

(Notice of Appeal at 1).

On April 15, 1987, Frazier filed a statement of reasons on behalf of Klabzuba, which states in pertinent part:

The reason for rejection was simply a clerical error when the application was prepared. I have executed the applications on behalf of Robert Klabzuba on several other occasions as this is one of my duties as an employee. There was absolutely no intent on my part to violate any of the Federal Regulations.

Due to the fact that I am an employee and the omission of my relationship to him was inadvertent, I sincerely hope you will reinstate the offer to lease.

(Statement of Reasons at 1).

[1] The regulations applicable to this decision are clear and the results are unavoidable. The regulatory requirement for signatures on an application states, in pertinent part:

All applications \* \* \* shall be holographically (manually) signed in ink and dated by the present or potential lessee or by anyone authorized to sign on behalf of the present or potential lessee, \* \* \* . Documents signed by anyone other than the present or potential lessee shall be rendered in a manner to reveal the name of the present or potential lessee, the name of the signatory and their relationship. [Emphasis added.]

(43 CFR 3102.4). The regulations further provide that, for simultaneous oil and gas lease applications: "The application shall be signed and dated in accordance with § 3102.4 of this title. If signed by someone other than the applicant, the application shall show the relationship of the signatory to the applicant." 43 CFR 3112.2-1(c) (emphasis added). There can be no doubt that the relationship between the applicant and the party signing the application must be disclosed on the application. Klabzuba's application

was signed by Frazier, and Frazier's relationship to Klabzuba appeared nowhere on the application. 1/

The regulations also state the consequences of a failure to show the relationship between the applicant and the signatory. The consequences are set out at 43 CFR 3112.3, which provides in pertinent part: "An application which is accepted for selection but which does not fully comply with this Subpart 3112 shall, if selected for priority, be rejected and the filing fee retained." 43 CFR 3112.3(e) (emphasis added). The same regulation also provides for circumstances such as those in this case, where an application is selected and it is subsequently determined that it should have been rejected. "Failure to identify a filing as unacceptable or rejectable prior to selection shall not prevent rejection \* \* \* ." 43 CFR 3112.3(f).

As can be seen, the applicable regulations provide that the application shall be rejected when, as in this case, the relationship between the signatory and the applicant is not disclosed on the application.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.

R. W. Mullen  
Administrative Judge

I concur:

Kathryn A. Lynn  
Administrative Judge  
Alternate Member

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1/ The Board has recognized a limited exception to this rule. In the case of a party executing on behalf of a corporation or a partnership, the fact that the Part B must be signed by an individual on behalf of the corporation or partnership renders the strict compliance with the regulation in such cases unreasonable. A subsequent inquiry is allowed if the person signing on behalf of the corporation or partnership fails to show his title. See e.g., Lear Petroleum Exploration, Inc., 95 IBLA 304 (1987); Cornith Partnership (On Remand), 83 IBLA 277 (1984). An unrestricted application of this exception to all instances in which an employer-employee or principal-agent relationship exists was not intended and would render the regulation meaningless.

